There has been no further deferment of expenditure thereafter. Even under the deformentt in June, 1993 exceptions were made on merits. It is, therefore, not correct to assume that developmental projects have suffered on account of deferment.

(c) Does not arise.

Tax Revenues from Tabacco Sector

1453. SHRI V. HANUMANTHA RAO : Will the Minister of FINANCE be pleased to state :

(a) what are the steps proposed to being about on increase in the tax base and consequently on the increase in tax revenues from the Tabacco Sector;

(b) whether Government have received representations to reduce excise duty on the lowest grade of cigarettes so as to increase revenues from that segment; and

(c) the steps proposed to implement reforms ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (c) Government have received representations for reduction of excise duty on cigarettes of lower length. However, in view of the ensuing budget, it is not possible to indicate the views of the Government in this matter at this stage.

Adverse Implications of External Liabilities on Debt Service Payment

1454. SHRI SANGH PRIYA GAUTAM : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there has been a marked shift in the composition of the country's external liabilities since the 1980's with the official sector accounting for less and less of them, and the non-official sector deadly increasing its segment, if so, the details thereof;

"(b) whether this shift is likely to have an adverse mplication for the debt service payments in future; if so, the detail thereof ; and

(c) what steps Government have taken to contain this shift to avoid any adverse implications on the debt service payments in future ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes, Sir. The share of external debt on Government Account out of total external liability (excluding defence and NRI Deposits) of the country has declined from 73% in 1980-81 to 63% in 1992-93.

(b) and (c) External debt on Government Account is received on highly concessional terms i.e. on nominal rate of interest and longer maturity period for repayment whereas debt on other accounts is being received on non-concessional terms i.e. higher 'rate of interest and shorter maturity period for repayment. Government is however, conscious about the country's external debt liability and keeps a constant watch on the level of country's indebtedness and likely burden of debt servicing. Government has taken a number of steps to bring about improvements in revenue receipts to eliminate inessential and low priority expenditure, to boost exports, to Increase invisible earnings, to ensure efficient import substitution, to increase non-debt creating inflow of foreign funds, and to reduce dependence on borrowed funds for financing expenditure. These steps would improve, in long term, the economic condition of the country and revitalise our growth process, including our export earning capacity, so as to enhance our capacity to generate sufficient funds needed for the economy to repay the loans and thus reduce dependence on borrowed funds.